



OFFICE OF
THE ARIZONA ATTORNEY GENERAL
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Update on
PRESCRIPTION DRUG PRICES

Antitrust Unit

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INTRODUCTION

In June 2001, the Antitrust Unit of the Arizona Attorney General's Office published its initial Prescription Drug Report. The Report analyzed a number of factors that contribute to the high cost of prescription drugs, offered numerous consumer tips to help reduce prescription drug costs for the uninsured, described the Attorney General's role in bringing antitrust actions against certain companies that have engaged in anticompetitive practices, and announced the results of the office's first statewide prescription drug survey. A copy of the June 2001 report is available on-line at www.attorneygeneral.state.az.us. One recommendation of the June 2001 report was that the Attorney General's Office continue to monitor prescription drug prices. This report sets forth the results of the office's second statewide prescription drug price survey conducted during the second half of December, 2001 and the first half of January, 2002.

Key findings from this survey include:

- Prescription drug prices continue to rise statewide. The basket of drugs we surveyed in December 2001 - January 2002 included 11 of the drugs surveyed in June 2001. For these drugs, there was a 5.2% price increase at pharmacies statewide. This is nearly twice the rate of inflation over the same period. Among Internet pharmacies, these 11 drugs were 8% more expensive in the second survey than they had been in the first.
- The price variations among pharmacies continue to be astounding. Eight of the 20 drugs we surveyed had price differentials of 100% or greater between the highest and lowest priced Arizona pharmacies that we surveyed (and even greater differentials if Internet pharmacy prices are considered). For example, 50 milligrams of the blood pressure medication Atenolol can be purchased for \$4.97 at the lowest price pharmacy we surveyed, compared to \$39.80 at the highest - - a difference of 700%! A Celebrex consumer would pay nearly \$140 more for a month supply at the most expensive pharmacy we surveyed than at the least.
- Prices continue to be lowest in Mexico, on the Internet and in rural

Southern Arizona. Arizona prices increased in every region of the state except the Sun City area, where they declined by 4% since our prior survey. The combination of price increases elsewhere and decreases in Sun City has resulted in Sun City prices no longer appearing out of line with the average Arizona price.

- Independent pharmacies, which often provide more personalized service, continue to be noticeably more expensive on average than chain stores. Within Arizona, the best prices tend to be found in Member Discount Stores and over the Internet.

Each of these findings is illustrated more completely in the tables and charts set forth in this report.

METHODOLOGY

This survey increased the number of pharmacies visited from just over 50 in June, 2001 to a total of 107. Sixty-eight Arizona pharmacy stores, eight Internet sites, and seven Mexican pharmacies responded to our survey. Twenty-four of the pharmacies surveyed failed to supply the requested information. A list of the 24 pharmacies that failed to respond is attached as Exhibit A at the end of this report. Each pharmacy surveyed was asked for its retail price for a specified dosage and quantity of each of the 20 commonly prescribed drugs in our survey. The 20 drugs are listed in Table 1 on page 5 of this Report. Eleven of the drugs selected were included in the June, 2001 survey to enable us to compare changes in the average price of these drugs over time. The remaining nine drugs were priced for the first time in this survey.

In Mexico, where dosages and/or quantities often differ, our office calculated the Mexican prices by comparing the price per dosage and quantity as sold in Mexico, and adjusting the prices, dosages and quantities to match how the drug is sold in the United States. For example, in one Mexican pharmacy, 120 mg. of the drug Allegra sells for \$11.93 for a quantity of 10. In the United States, Allegra is typically sold in quantities of 60 and dosages of 60 mg. In

order to get the equivalent of 60 60 mg. pills, you would need 30 of the 120 mg. pills sold in Mexico. Because it costs \$11.93 to buy 10 Allegra pills in Mexico, we tripled that price to determine the cost of 30 pills. Therefore the calculated price is \$35.79 ($\$11.93 \times 3 = \35.79).

The pharmacies in this survey were initially contacted over a four-week period from December 11, 2001 to January 14, 2002. Pharmacies that failed to respond were re-contacted in mid to late January. Although pharmacies were selected largely at random, we attempted to include a representative number of chain stores and independent pharmacies in each geographic area surveyed.

RESULTS

The overall results of our second price survey are set forth in Table 1 below.

Drug	Dosage	Quantity	Phoenix		Sun	Flagstaff	Tucson	Yuma	Northern	Southern	Internet	Mexico
			Arizona	Metro	Cities				Arizona	Arizona		
Albuterol	Inhaler	17 gm	20.98	20.00	20.75	20.91	19.68	21.13	21.39	21.73	17.98	18.45
Allegra	60 mg	60	79.30	78.16	78.22	77.22	78.15	76.91	78.55	78.50	67.32	44.55
Atenolol	50 mg	30	11.33	11.96	9.72	9.28	8.92	9.85	12.19	10.62	6.18	11.14
BuSpar	15 mg	60	153.79	152.10	154.32	150.41	154.20	159.13	155.53	154.45	135.94	66.87
Cardizem CD	240 mg	30	74.10	73.31	73.68	73.92	70.56	76.16	75.39	75.81	64.77	34.98
Celebrex	200 mg	60	164.32	163.01	162.39	157.63	144.78	163.41	163.73	162.99	147.49	120.83
Cipro	250 mg	14	64.74	63.09	63.06	64.09	62.94	67.17	65.11	63.67	55.57	16.96
Diflucan	100 mg	15	122.84	122.63	120.05	120.86	122.33	133.13	123.00	121.89	108.34	187.57
Glucophage	500 mg	100	86.89	85.28	86.10	82.86	85.37	85.83	86.63	85.69	73.00	15.81
Hydrocodone w/APAP	7.5/500 mg	30	18.87	17.27	19.84	18.60	17.59	19.05	23.46	18.29	13.47	30.12
Lipitor	10 mg	30	66.85	66.06	64.13	62.91	67.97	67.26	66.07	66.35	56.89	52.09
Nexium	40 mg	30	124.08	126.81	120.35	119.78	124.82	122.60	123.04	124.10	112.92	93.54
Norvasc	10 mg	30	68.28	67.81	63.19	66.11	65.27	70.41	68.46	68.11	59.41	43.61
Paxil	20 mg	30	87.75	86.96	88.25	84.70	89.26	88.53	88.62	88.69	75.10	89.67
Premarin	.625 mg	60	47.62	45.44	48.98	46.04	47.75	49.12	44.57	49.27	39.02	41.75
Prevacid	30 mg	30	129.59	128.78	124.65	124.20	131.73	128.35	127.60	127.25	116.27	49.35
Prozac	20 mg	30	95.00	92.84	93.42	92.16	93.28	95.62	95.13	94.19	83.17	47.61
Synthroid	.1 mg	30	17.22	16.91	17.32	16.75	17.73	17.13	17.31	16.38	10.85	33.90
Zocor	10 mg	30	76.19	75.34	73.32	73.74	75.71	76.58	76.23	74.52	64.85	69.94
Zoloft	50 mg	30	77.85	77.52	75.85	77.64	79.42	79.75	79.26	77.91	67.40	67.82
Total			\$1,549.12	\$1,571.29	\$1,557.58	\$1,539.82	\$1,557.45	\$1,607.13	\$1,591.24	\$1,418.71	\$1,375.96	\$1,136.56

Based on these results, we have observed the following trends:

1. Prices Continue To Rise Faster Than Inflation.

Perhaps the most disturbing finding of our second survey is the steady aggregate increase in prescription drug prices domestically, compared to a significant decrease in the price of these drugs in Mexico. As confirmed in Table 2 on the next page, the average price of the 11 drugs we priced in both surveys increased by 5.2% at Arizona pharmacies and 8% at Internet pharmacies in just six months. This is nearly double the national inflation rate of 2.7% in 2001. By contrast, the price of these same drugs decreased in price by 16% in Mexico over the same time period. Arizona price increases were observed in every region of the state except in the Sun City area, where the drugs we used for comparison purposes were 4% less expensive in our recent survey than they had been in June.¹

¹ Although the two independent pharmacies in Sun City with the highest prices from our first survey declined to respond to our second survey, overall response from Sun City was higher in our second survey (77%) than it had been in our first (57%).

Table 2: Price Comparison 2002-2001												
Drug	Dosage	Quantity	2002 Internet Average Price	2001 Internet Average Price	2002 Arizona Average Price	2001 Arizona Average Price	2002 Phoenix Average Price	2001 Phoenix Average Price	2002 Sun City Average Price	2001 Sun City Average Price	2002 Tucson Average Price	2001 Tucson Average Price
Albuterol	Inhaler	17 gm	17.98	13.48	20.98	18.56	20.00	19.01	20.75	20.10	19.68	18.54
Atenolol	50 mg	30	6.18	5.61	11.33	11.01	11.96	12.09	9.72	11.21	8.92	12.45
Buspar	15 mg	60	135.94	121.92	153.79	144.11	152.10	145.75	154.32	151.66	154.20	143.38
Celebrex	200 mg	60	147.49	136.62	164.32	153.08	163.01	157.39	162.39	167.65	144.78	151.84
Hydrocodone w/APAP	7.5/500mg	30	13.47	11.95	18.87	17.97	17.27	16.48	19.84	17.18	17.59	14.15
Lipitor	10 mg	30	56.89	54.35	66.85	64.51	66.06	70.40	64.13	70.61	67.97	64.05
Norvasc	10 mg	30	59.41	57.00	68.28	68.58	67.81	69.70	63.19	72.37	65.27	66.82
Prevacid	30 mg	30	116.27	109.48	129.59	123.27	128.78	125.64	124.65	133.44	131.73	122.01
Prozac	20 mg	30	83.17	75.45	95.00	89.09	92.84	90.53	93.42	96.65	93.28	87.94
Zocor	10 mg	30	64.85	61.45	76.19	73.37	75.34	74.81	73.32	77.69	75.71	73.76
Zoloft	50 mg	30	67.40	63.86	77.85	76.02	77.52	75.29	75.85	76.65	79.42	76.59
Total			\$769.05	\$711.17	\$883.05	\$839.57	\$872.69	\$857.09	\$861.58	\$895.21	\$858.55	\$831.53

Drug	Dosage	Quantity	2002 Flagstaff Average Price	2001 Flagstaff Average Price	2002 Yuma Average Price	2001 Yuma Average Price	2002 Northern Arizona Average Price	2001 Northern Arizona Average Price	2002 Southern Arizona Average Price	2001 Southern Arizona Average Price	2002 Mexico Average Price	2001 Mexico Average Price
Albuterol	Inhaler	17 gm	20.91	18.60	21.13	18.36	21.39	17.87	21.73	18.19	18.45	16.55
Atenolol	50mg	30	9.28	9.43	9.85	10.42	12.19	12.21	10.62	9.40	11.14	22.15
Buspar	15mg	60	150.41	144.25	159.13	144.41	155.53	139.71	154.45	140.78	66.87	72.08
Celebrex	200mg	60	157.63	149.53	163.41	157.20	163.73	152.72	162.99	145.06	120.83	96.67
Hydrocodone w/APAP	7.5/500mg	30	18.60	21.19	19.05	21.12	23.46	22.33	18.29	17.67	30.12	71.90
Lipitor	10mg	30	62.91	62.90	67.26	64.45	66.07	65.22	66.35	63.06	52.09	86.04
Norvasc	10mg	30	66.11	68.04	70.41	67.97	68.46	71.79	68.11	67.89	43.61	77.97
Prevacid	30mg	30	124.20	120.93	128.35	124.68	127.60	126.40	127.25	118.69	49.35	46.31
Prozac	20mg	30	92.16	87.59	95.62	90.41	95.13	90.06	94.19	86.74	47.61	72.70
Zocor	10mg	30	73.74	72.25	76.58	71.26	76.23	75.29	74.52	70.86	69.94	55.85
Zoloft	50mg	30	77.64	76.10	79.75	74.15	79.26	77.52	77.91	76.70	67.82	50.04
Total			\$853.59	\$830.81	\$890.54	\$844.43	\$889.05	\$851.12	\$876.41	\$815.04	\$577.83	\$668.26

2. Prices Vary Dramatically From Seller To Seller.

In our June, 2001 report, we noted that prices vary by as much as 60% from seller to seller. In the most recent survey, we saw even more pronounced price variations. For one drug, Atenolol, the price discrepancy among Arizona pharmacies was 700%. For eight of the 20 drugs we surveyed, the most expensive pharmacy in the state was more than twice as costly as the least expensive pharmacy. Table 3 analyzes the price discrepancies for each drug, setting forth the average Arizona price, the average Mexican price, the lowest Internet price, the five lowest pharmacy prices surveyed, and the five highest pharmacy prices surveyed.

Table 3:
2002 Prescription Drug Survey Responses
Price Comparison

ALBUTEROL - Asthma	AZ AVG	ALLEGRA - Hay Fever	AZ AVG	ATENOLOL - Blood Pressure	AZ AVG
Inhaler, 17 gm.	\$20.98	60 mg., 60	\$79.30	50 mg., 30	\$11.33
<u>Mexico - Average Price</u>	\$18.45	<u>Mexico - Average Price</u>	\$44.55	<u>Mexico - Average Price</u>	\$11.14
<u>Internet - Lowest Price</u>		<u>Internet - Lowest Price</u>		<u>Internet - Lowest Price</u>	
eckerd.com	\$13.86	Prescriptionsbymail.com	\$62.06	drugstore.com	\$2.40
<u>Pharmacy - Lowest Prices</u>		<u>Pharmacy - Lowest Prices</u>		<u>Pharmacy - Lowest Prices</u>	
Target - Scottsdale	\$11.99	Sams Pharmacy - Chandler	\$63.62	Sams Pharmacy - Chandler	\$4.97
Sams Pharmacy - Chandler	\$14.88	Value Drugs Rx United - Sun City	\$67.17	Bashas' United Drug - Tucson	\$5.80
Bashas' United Drug - Tucson	\$15.36	Bashas' United Drug - Tucson	\$68.23	Value Drugs Rx United - Sun City	\$6.07
Costco - Glendale	\$15.49	Costco - Glendale	\$68.89	Eckert Drug - Yuma	\$6.60
Safeway - Sun City West	\$16.99	Wal-mart - Bullhead City	\$69.98	K-mart - Scottsdale	\$6.99
<u>Pharmacy - Highest Prices</u>		<u>Pharmacy - Highest Prices</u>		<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$34.72	Sunscript United Drugs - Tempe	\$100.16	Sunscript United Drugs - Tempe	\$39.80
The Apothecary - Parker	\$26.45	The Apothecary - Parker	\$88.81	Bashas' United Drug - Mesa	\$30.75
Walgreens - 6 locations	\$25.99	Walgreens - 6 locations	\$82.99	Goot United Drug - Glendale	\$28.20
Walmart - 4 locations	\$24.97	Fry's - Phoenix, Scottsdale	\$82.47	The Apothecary - Parker	\$27.20
Walgreens - Lake Havasu City	\$24.79	Florence Pharmacy - Florence	\$81.39	Low Cost Pharmacy - Tempe	\$24.99

Table 3: Continued
2002 Prescription Drug Survey Responses
Price Comparison

BUSPAR - Anxiety	AZ AVG
15 mg., 60	\$153.79
<u>Mexico - Average Price</u>	\$66.87
<u>Internet - Lowest Price</u>	
Prescriptionsbymail.com	\$123.76
<u>Pharmacy - Lowest Prices</u>	
Cactus Pharmacy - Phoenix	\$130.00
Value Drugs Rx United - Sun City	\$130.87
Sams Pharmacy - Chandler	\$130.97
Bashas' United Drug - Tucson	\$132.82
Costco - Glendale	\$135.89
<u>Pharmacy - Highest Prices</u>	
RiteAid - Yuma	\$192.99
Sunscript United Drugs - Tempe	\$192.28
Walgreens - 6 locations	\$169.99
The Apothecary - Parker	\$168.08
Walgreens - Lake Havasu City	\$163.49

CARDIZEM CD - Angina	AZ AVG
240 mg., 30	\$74.10
<u>Mexico - Average Price</u>	\$34.98
<u>Internet - Lowest Price</u>	
costco.com	\$61.59
<u>Pharmacy - Lowest Prices</u>	
Costco - Glendale	\$61.59
Value Drugs Rx United - Sun City	\$64.78
Sams Pharmacy - Chandler	\$64.97
Bashas' United Drug - Tucson	\$65.87
Walgreens - Lake Havasu City	\$68.19
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$96.71
The Apothecary - Parker	\$85.83
Safeway - Sun City West	\$83.99
RiteAid - Yuma	\$82.99
K-mart - Tempe	\$81.69

CELEBREX - Arthritis	AZ AVG
200 mg., 60	\$164.32
<u>Mexico - Average Price</u>	\$120.83
<u>Internet - Lowest Price</u>	
AARPpharmacy.org	\$139.90
<u>Pharmacy - Lowest Prices</u>	
Walgreens - Tucson	\$87.09
Costco - Glendale	\$138.27
Value Drugs Rx United - Sun City	\$139.16
Target - Scottsdale	\$139.99
Sams Pharmacy - Chandler	\$141.72
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$226.32
The Apothecary - Parker	\$194.73
Florence Pharmacy - Florence	\$182.99
Low Cost Pharmacy - Tempe	\$179.99
Goot United Drug - Glendale	\$171.18

CIPRO - Bacterial Infection	AZ AVG
250 mg., 14	\$64.74
<u>Mexico - Average Price</u>	\$16.96
<u>Internet - Lowest Price</u>	
eckerd.com	\$49.78
<u>Pharmacy - Lowest Prices</u>	
Value Drugs Rx United - Sun City	\$53.54
Bashas' United Drug - Tucson	\$54.80
Sams Pharmacy - Chandler	\$54.92
Costco - Glendale	\$56.39
Safeway - Sun City West	\$58.04
<u>Pharmacy - Highest Prices</u>	
RiteAid - Yuma	\$81.98
Sunscript United Drugs - Tempe	\$79.87
The Apothecary - Parker	\$71.25
Oscor/Sav-on/Albertsons - 14 locations	\$65.99
Walgreens - 6 locations	\$64.99

DIFLUCAN - Yeast Infection	AZ AVG
100 mg., 15	\$122.84
<u>Mexico - Average Price</u>	\$187.57
<u>Internet - Lowest Price</u>	
walgreens.com	\$101.99
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$106.92
Value Drugs Rx United - Sun City	\$107.31
Safeway - Sun City West	\$110.29
Costco - Glendale	\$110.79
Eckert Drug - Yuma	\$111.35
<u>Pharmacy - Highest Prices</u>	
Medicap Pharmacy - Yuma	\$175.62
Sunscript United Drugs - Tempe	\$159.92
The Apothecary - Parker	\$138.24
RiteAid - Yuma	\$137.99
Florence Pharmacy - Florence	\$129.49

GLUCOPHAGE - Diabetes	AZ AVG
500 mg., 100	\$86.89
<u>Mexico - Average Price</u>	\$15.81
<u>Internet - Lowest Price</u>	
eckerd.com	\$62.58
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$69.98
Costco - Glendale	\$72.49
Walmart - Green Valley	\$75.98
Value Drugs Rx United - Sun City	\$76.32
Wal-mart - Bullhead City	\$77.72
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$109.85
The Apothecary - Parker	\$96.43
RiteAid - Yuma	\$95.99
Fry's - Phoenix	\$91.47
Walgreens - 6 locations	\$90.99

HYDROCODONE W/APAP - Pain	AZ AVG
7.5 500 mg., 30	\$18.87
<u>Mexico - Average Price</u>	\$30.12
<u>Internet - Lowest Price</u>	
eckerd.com	\$8.78
<u>Pharmacy - Lowest Prices</u>	
Wal-mart - Yuma	\$9.46
Value Drugs Rx United - Sun City	\$10.27
Sams Pharmacy - Chandler	\$11.78
Costco - Glendale	\$11.79
Fry's - 5 locations	\$13.47
<u>Pharmacy - Highest Prices</u>	
Sav-on - Bullhead City	\$41.69
Walgreens - Sun City (Peoria Ave.)	\$40.99
RiteAid - Yuma	\$35.99
Sunscript United Drugs - Tempe	\$27.93
The Apothecary - Parker	\$25.33

LIPITOR - Cholesterol	AZ AVG
10 mg., 30	\$66.85
<u>Mexico - Average Price</u>	\$52.09
<u>Internet - Lowest Price</u>	
eckerd.com	\$53.75
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$53.88
Costco - Glendale	\$54.97
Walmart - Flagstaff	\$56.98
Safeway - Sun City West	\$57.59
Target - Scottsdale	\$57.99
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$86.76
RiteAid - Yuma	\$81.99
The Apothecary - Parker	\$77.21
Oscor - Tucson	\$75.99
Bob's IGA - Willcox	\$74.28

NEXIUM - Ulcer	AZ AVG
40 mg., 30	\$124.08
<u>Mexico - Average Price</u>	\$93.54
<u>Internet - Lowest Price</u>	
costco.com	\$107.07
<u>Pharmacy - Lowest Prices</u>	
Costco - Glendale	\$107.07
Safeway - Sun City West (Grand)	\$109.79
Sams Pharmacy - Chandler	\$110.46
Value Drugs Rx United - Sun City	\$111.16
Wal-mart - Flagstaff	\$112.46
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$165.66
The Apothecary - Parker	\$143.12
Bob's IGA - Willcox	\$134.51
Florence Pharmacy - Florence	\$134.09
Bashas' United Drug - Phoenix, Mesa	\$133.90

Table 3: Continued
2002 Prescription Drug Survey Responses
Price Comparison

NORVASC - Blood Pressure	AZ AVG
10 mg., 30	\$68.28
<u>Mexico - Average Price</u>	\$43.61
<u>Internet - Lowest Price</u> eckerd.com	\$55.99
<u>Pharmacy - Lowest Prices</u>	
Safeway - Sun City West (Camino)	\$45.99
Costco - Glendale	\$57.09
Sam's Pharmacy - Chandler	\$57.72
Safeway - Sun City West (Grand)	\$58.49
Value Drugs Rx United - Sun City	\$61.96
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$92.40
RiteAid - Yuma	\$83.99
The Apothecary - Parker	\$82.10
Florence Pharmacy - Florence	\$75.09
Smiths Pharmacy - Kingman	\$73.09

PAXIL - Anxiety	AZ AVG
20 mg., 30	\$87.75
<u>Mexico - Average Price</u>	\$89.67
<u>Internet - Lowest Price</u> costco.com	\$69.87
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$68.88
Costco - Glendale	\$69.87
Walmart - Flagstaff	\$76.54
Value Drugs Rx United - Sun City	\$76.57
Target - Peoria, Phoenix, Scottsdale	\$77.39
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$114.16
The Apothecary - Parker	\$100.10
Walgreens - Sun City	\$95.90
RiteAid - Yuma	\$94.99
Albertsons/Osco - 6 locations	\$94.69

PREMARIN - Osteoporosis	AZ AVG
.625 mg., 60	\$47.62
<u>Mexico - Average Price</u>	\$41.75
<u>Internet - Lowest Price</u> eckerd.com	\$32.96
<u>Pharmacy - Lowest Prices</u>	
Wal-mart - Bullhead City	\$23.72
Albertsons - Kingman	\$26.69
Arrow Pharmacy - Chandler	\$28.49
Target - Scottsdale	\$36.69
Sams Pharmacy - Chandler	\$37.88
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$64.86
The Apothecary - Parker	\$58.46
RiteAid - Yuma	\$56.99
Safeway - Sun City West	\$55.49
Walgreens - 6 locations	\$53.99

PREVACID - Ulcer	AZ AVG
30 mg., 30	\$129.59
<u>Mexico - Average Price</u>	\$49.35
<u>Internet - Lowest Price</u> costco.com	\$109.07
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$108.88
Costco - Glendale	\$109.07
Wal-mart - Green Valley	\$112.98
Safeway - Sun City West	\$113.84
Value Drugs Rx United - Sun City	\$115.15
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$171.59
The Apothecary - Parker	\$148.17
RiteAid - Yuma	\$138.99
Florence Pharmacy - Florence	\$138.89
Bob's IGA - Willcox	\$138.66

PROZAC - Depression	AZ AVG
20 mg., 30	\$95.00
<u>Mexico - Average Price</u>	\$47.61
<u>Internet - Lowest Price</u> eckerd.com	\$78.99
<u>Pharmacy - Lowest Prices</u>	
Costco - Glendale	\$80.69
Target - Peoria, Phoenix, Scottsdale	\$82.69
Wal-mart - Green Valley	\$83.54
Smiths Pharmacy - Kingman	\$85.79
Sams Pharmacy - Chandler	\$85.92
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$124.17
The Apothecary - Parker	\$108.71
Wal-mart - Bullhead City	\$100.92
Florence Pharmacy - Florence	\$100.69
RiteAid - Yuma	\$98.99

SYNTHROID - Thyroid	AZ AVG
.1 mg., 30	\$17.22
<u>Mexico - Average Price</u>	\$33.90
<u>Internet - Lowest Price</u> eckerd.com	\$7.82
<u>Pharmacy - Lowest Prices</u>	
Costco - Glendale	\$10.89
Sams Pharmacy - Chandler	\$11.46
Wal-mart - Bullhead City	\$13.62
Medicap Pharmacy - Yuma	\$13.81
Wal-mart - Flagstaff	\$13.84
<u>Pharmacy - Highest Prices</u>	
RiteAid - Yuma	\$22.99
Cactus Pharmacy - Phoenix	\$22.00
Sunscript United Drugs - Tempe	\$20.89
Smiths Pharmacy - Kingman	\$20.01
Arrow Pharmacy - Chandler	\$19.99

ZOCOR - Cholesterol	AZ AVG
10 mg., 30	\$76.19
<u>Mexico - Average Price</u>	\$69.94
<u>Internet - Lowest Price</u> eckerd.com	\$61.93
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$61.97
Costco - Glendale	\$64.07
Safeway - Sun City West	\$66.59
Value Drugs Rx United - Sun City	\$67.69
Medicap Pharmacy - Yuma	\$69.09
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$100.93
RiteAid - Yuma	\$89.99
The Apothecary - Parker	\$89.49
Bob's IGA - Willcox	\$80.82
Smiths Pharmacy - Kingman	\$80.73

ZOLOFT - Depression	AZ AVG
50 mg., 30	\$77.85
<u>Mexico - Average Price</u>	\$67.82
<u>Internet - Lowest Price</u> Prescriptionsbyemail.com	\$64.67
<u>Pharmacy - Lowest Prices</u>	
Sams Pharmacy - Chandler	\$63.88
Costco - Glendale	\$64.87
Safeway - Sun City West	\$66.14
Value Drugs Rx United - Sun City	\$68.50
Safeway - Coolidge	\$69.99
<u>Pharmacy - Highest Prices</u>	
Sunscript United Drugs - Tempe	\$102.13
The Apothecary - Parker	\$90.53
RiteAid - Yuma	\$87.99
Albertsons/Osco - 6 locations	\$85.69
Florence Pharmacy - Florence	\$82.89

The difference between the minimum, average and maximum price per drug is further illustrated in Chart 1 below.

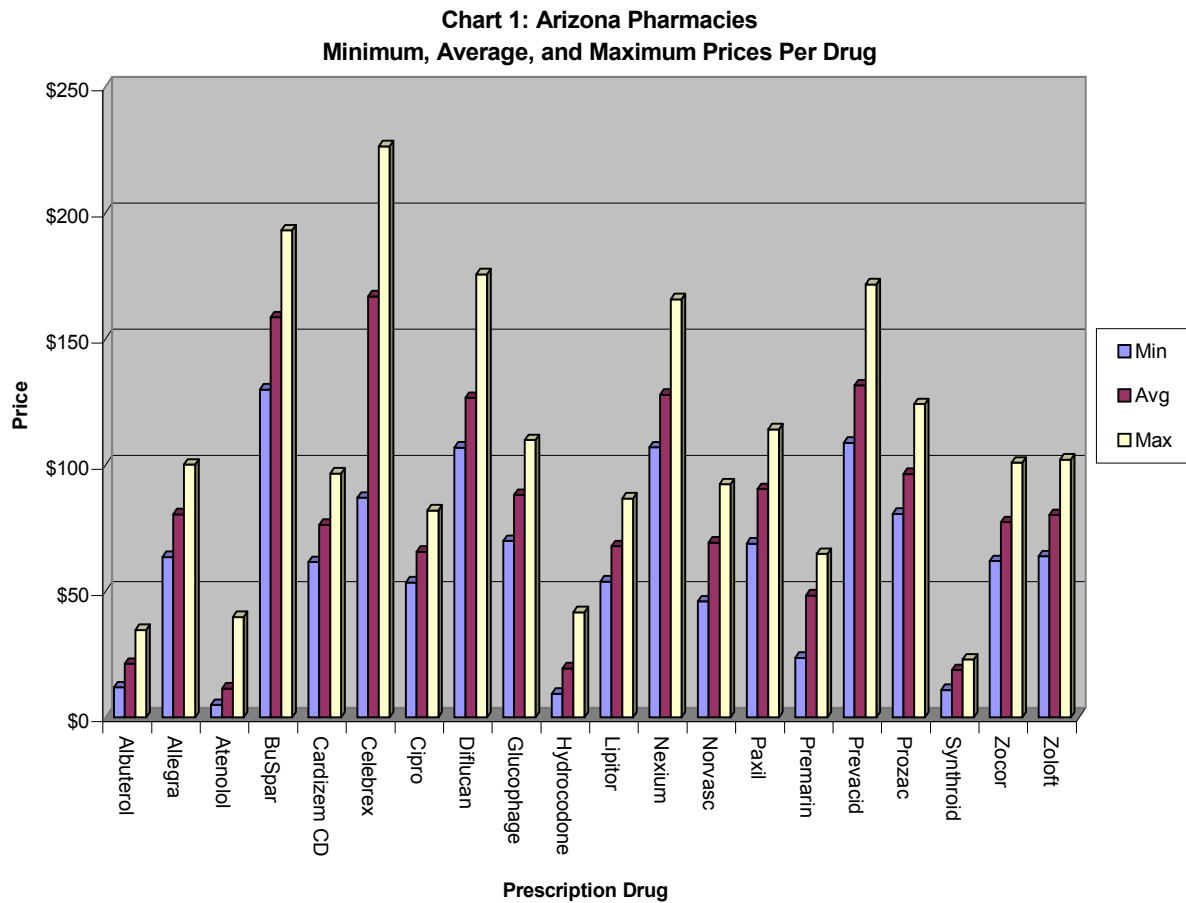
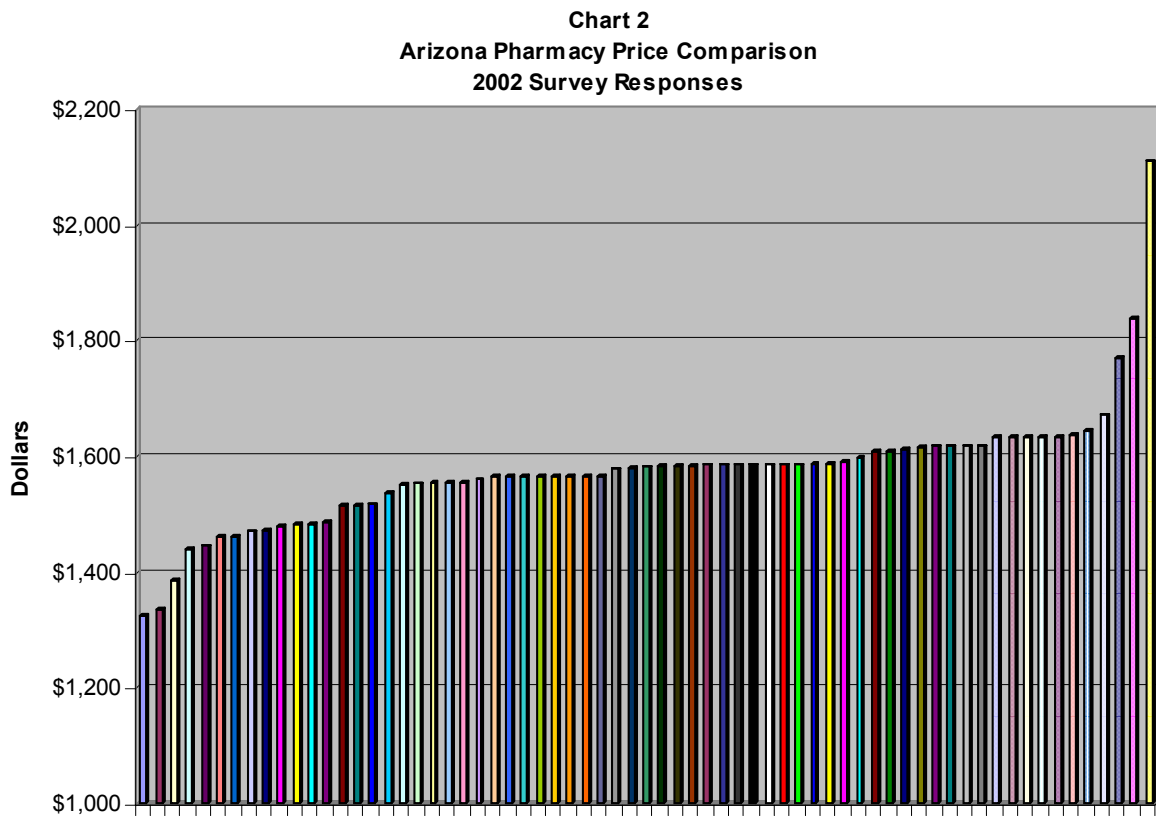
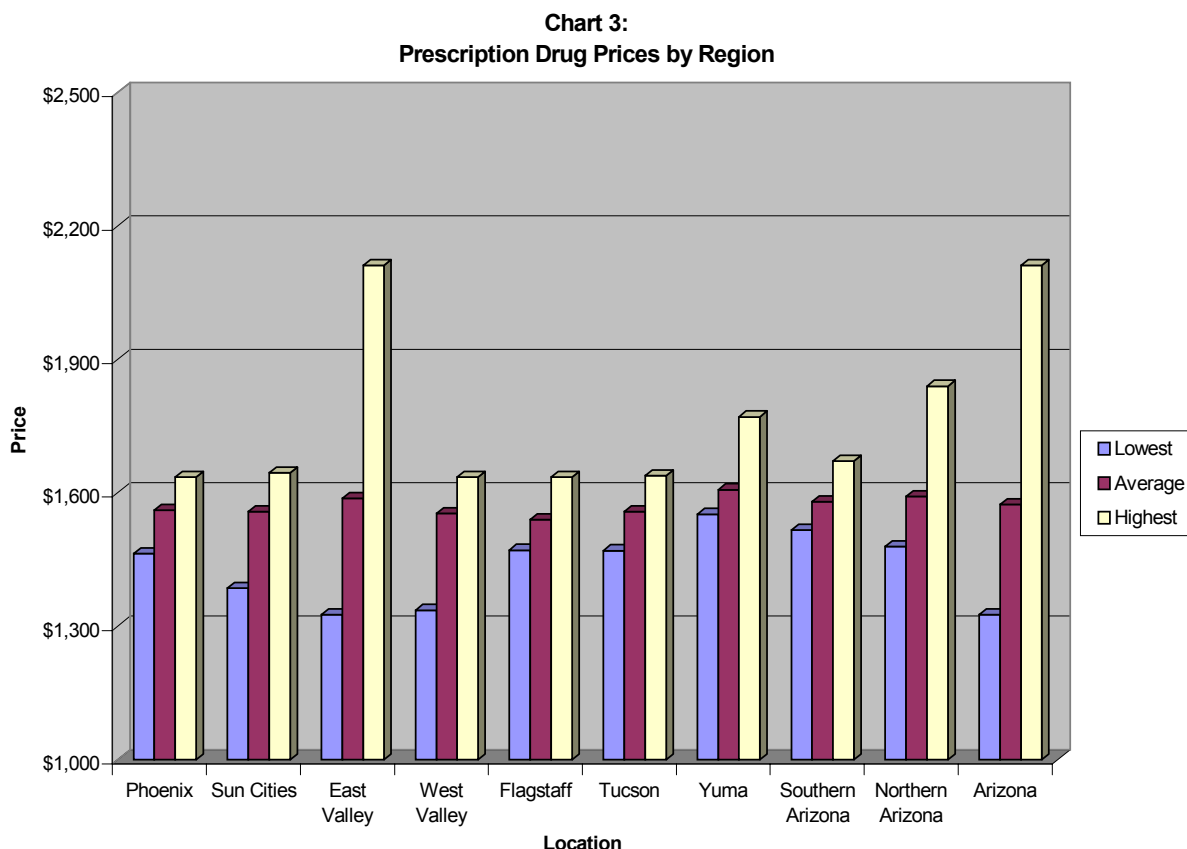


Chart 2 below compares the total cost of the bundle of our 20 drugs at each pharmacy surveyed. As Chart 2 reflects, the same 20 drugs could be purchased for as little as \$1,325.66 at the least expensive Arizona pharmacy we surveyed (Sam's Pharmacy in Chandler), compared to \$2,111.11 at the most expensive pharmacy that completed our survey - - a difference of 62%.



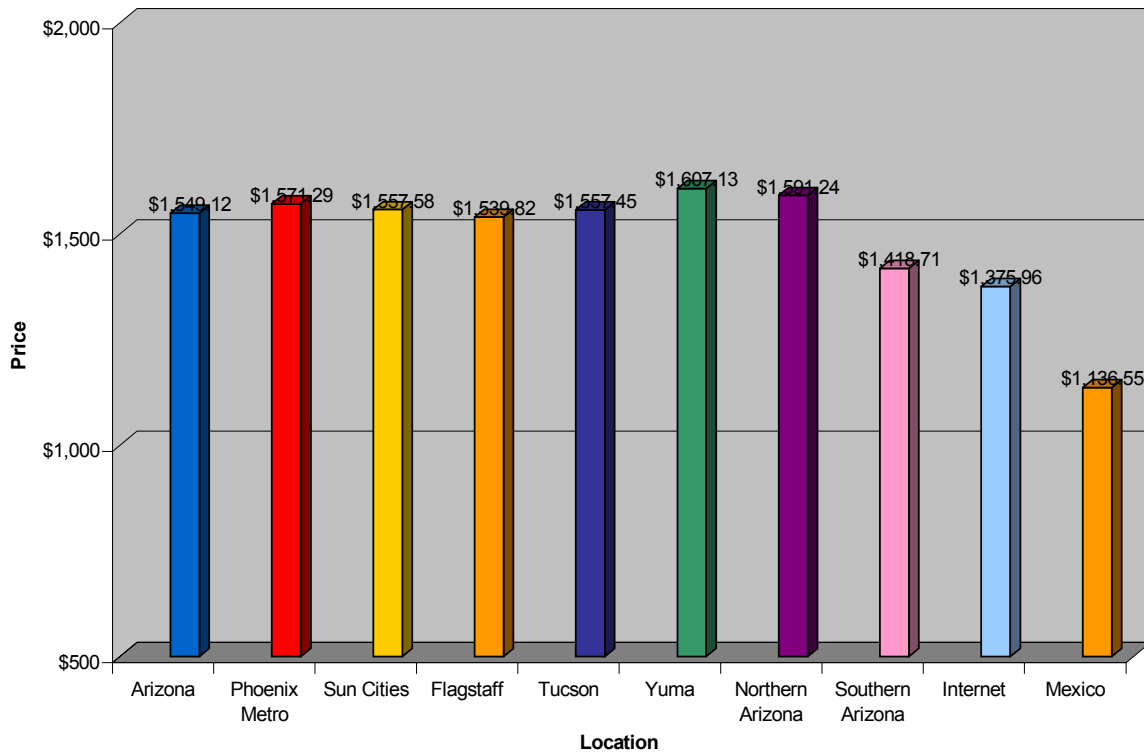
In addition, as set forth in Chart 3 below, the variations in price occurred in each geographic region surveyed.



3. Prices Are Lowest On Line And Near The Border.

As was true in our June, 2001 survey, our recent survey found prescription drug prices lowest in Mexico, on the Internet, and in rural Southern Arizona. As set forth in Chart 4, apart from these areas, prices did not significantly vary in other regions of the state.

Chart 4
Average Retail Prescription Drug Prices



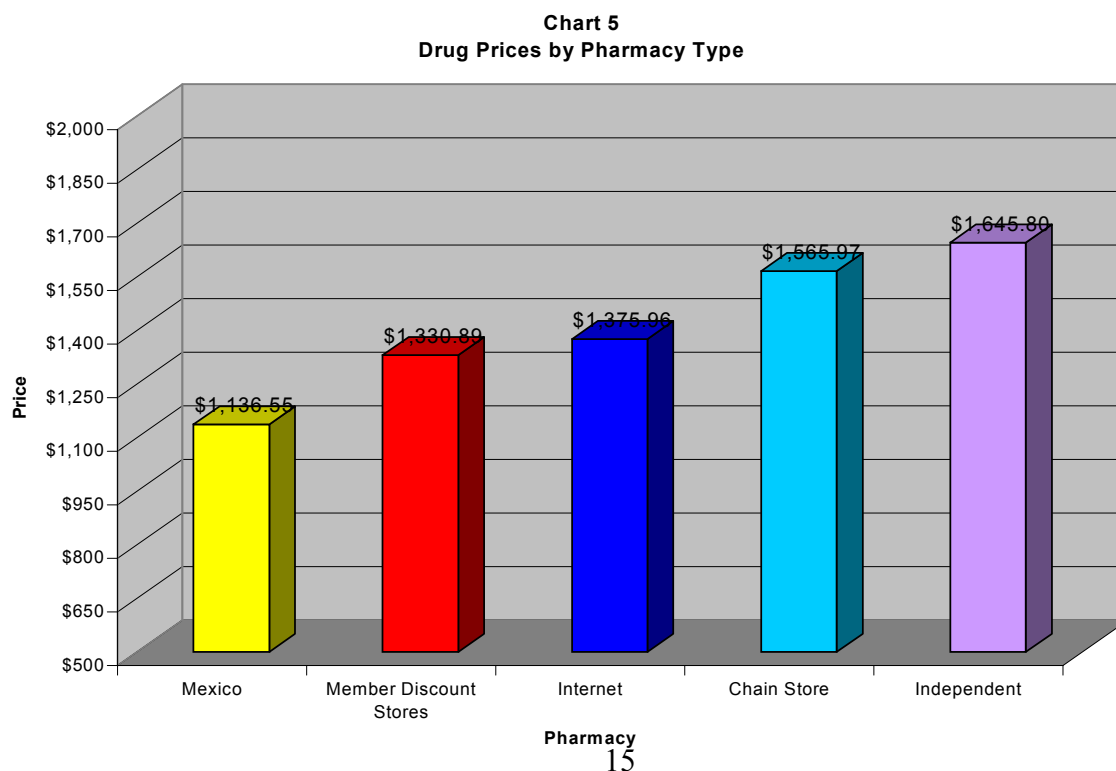
Although Mexican pharmacies are usually significantly less expensive, as we cautioned in our June, 2001 report, such pharmacies are substantially less convenient for most Arizonans. In addition, Mexican pharmacies may adhere to different standards than exist in the United States, and Mexican quantities and dosages frequently differ from those commonly prescribed in the United States. Thus, consumers who shop in Mexico must account for these differences.

With respect to Internet pharmacies, consumers should be careful to look for a Verified Internet Pharmacy Practice Site (“VIPPS”) seal of approval before buying on-line to be sure that the pharmacy adheres to known quality standards. A list of VIPPS approved pharmacies is available on line at www.napb.net/vipps. In addition, regardless of where you buy your

prescription drugs, you should always alert the pharmacy from which you are buying of all medications you are taking, so as to reduce the possibility of taking a dangerous combination of drugs.

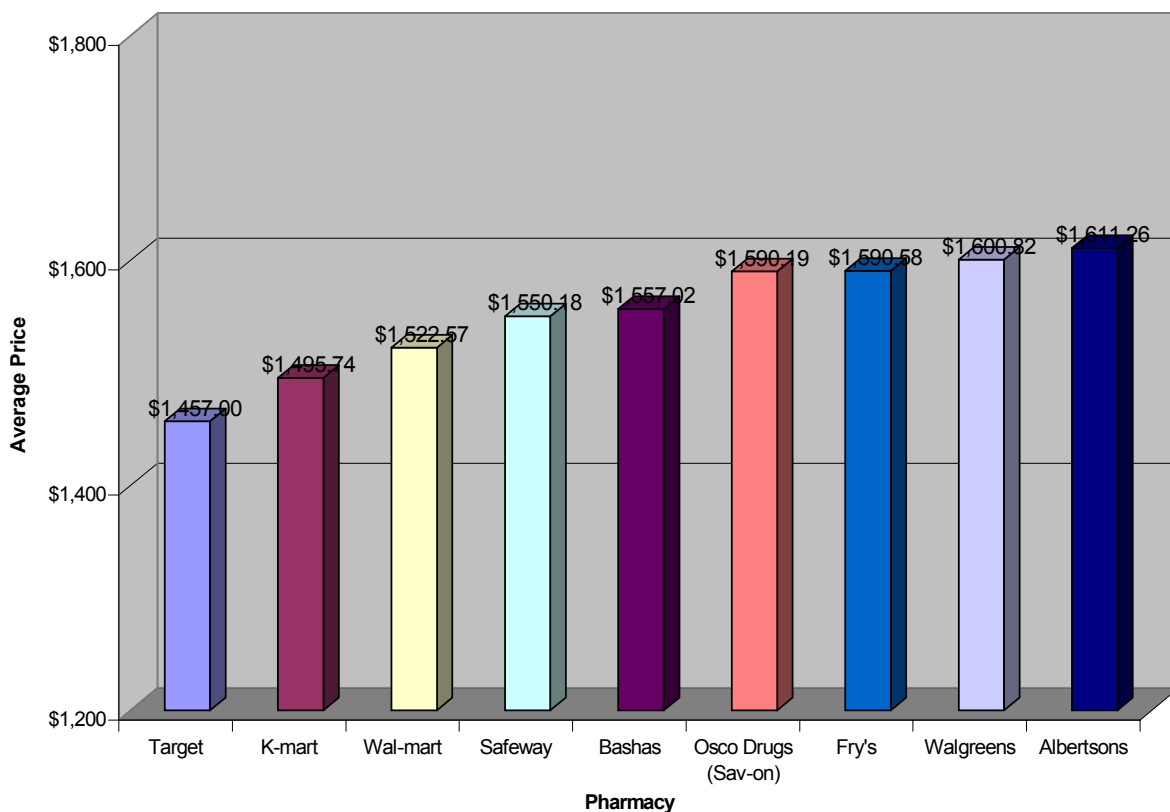
4. Independent Pharmacies Remain More Expensive On Average Than Chains.

Finally, as set forth in Chart 5, our recent survey again found that independent pharmacies are more expensive than chain stores, and that member discount stores tend to be the cheapest alternative. As we indicated in our June, 2001 survey, independent pharmacies usually lack the bulk buying power of large chain stores and typically are less able to negotiate discounts off of the manufacturer's average wholesale price comparable to the discounts negotiated by the chains. Again, independent pharmacies often make up for the added costs with better and more personal service, but price conscious consumers should be aware of the price differentials observed in both of our surveys.



Among chain stores across the state, our office found Target, Wal-mart and K-mart to be, on average, the least expensive chains. Walgreens and Albertsons typically reported the highest prices (among responding chain stores) for the drugs in our survey. A comparison of average chain store pricing is set forth in Chart 6 below. In addition, a list of total prices from each pharmacy that responded to our survey is attached as Exhibit B to this report.

**Chart 6:
Price Comparison of Arizona Chain Stores Surveyed**



CONCLUSIONS

The continued escalation of prescription drug prices in Arizona is disappointing and harmful to Arizona consumers, particularly our seniors. Although we remain hopeful that the free market will correct itself and ultimately achieve lower prescription drug prices, the market will function best only if consumers are aware of their options. The Attorney General's five-point action plan, announced in June, calls for a variety of measures designed to help the market function better. The Attorney General's plan includes the following:

1. Legislation. Several states, including Florida and Michigan, have passed promising prescription drug pricing laws designed to improve the States' bargaining power with drug manufacturers. A similar bill, S-1091, is pending before the Arizona legislature. That bill, sponsored by Senator Chris Cummiskey, would create a Prescription Benefits Manager ("PBM") to negotiate discounts off of the manufacturers' Average Wholesale Price and create incentives for manufacturers to offer such discounts. It would also allow low-income citizens who are not covered by AHCCCS to buy prescription drugs at the reduced prices negotiated by the PBM. It is estimated that this bill would save the state \$19 million in prescription drug costs for AHCCCS patients. Although federal legislation ultimately may be needed, approaches such as Senator Cummiskey's bill offer good intermediate solutions and constitute a significant step in the right direction.
2. Education. If consumers don't know their options, they can't make cost effective decisions. The Attorney General plans to make this report available on-line to all Arizona consumers and to continue to hold meetings throughout the state to make price conscious consumers aware of the important need to comparison shop. In addition, the Attorney General supports Representative Gullett's call for an information clearinghouse to be created to let consumers know about various manufacturer discount programs.
3. Enforcement. In addition to the litigation brought by Attorney General Napolitano that is described in the June, 2001 report, the Attorney General has recently filed suit against Bristol-Myers Squibb over allegations that it violated the antitrust laws, including by filing false information with the U.S. patent office, in an effort to keep competitors of its anxiety drug, Buspar, off the market. The Attorney General will continue to be vigilant in prosecuting violations of the antitrust laws.

4. Monitoring. Because prices continued to rise state-wide, further price monitoring is warranted. The Attorney General's Office will continue to send investigators to Arizona pharmacies to monitor prices and will continue to make its findings available to the public.
5. Communication. The Attorney General's Office will maintain open channels with all participants in this important marketplace. The Attorney General looks forward to discussing with manufacturers why prices continue to increase faster than inflation in Arizona, while at the same time, dropping noticeably in Mexico. We also look forward to hearing from pharmacists as to why the cash price for some of the drugs in this survey varies by as much as it does.

The Attorney General will continue to move forward with all points of her action plan until the skyrocketing prices of prescription drugs are brought under control.

[Click here to view Exhibit A](#)

[Click here to view Exhibit B](#)